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ORIGINAL
RICHARD M. TETTELBAUM, Associate General Counsel
OCT 10 1997
SECRETARY

October 9, 1997

FEDERAL EXPRESS

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Joint Petition of the Citizens LECs For Certification
As Eligible Telecommunications Carriers

Dear Mr. Waddell:

Enclosed herewith are the original and ten copies of the Joint Petition of Citizens Telecommunications Company of Tennessee L.L.C. and Citizens Telecommunications Company of the Volunteer State L.L.C. For Designation As Eligible Telecommunications Carriers Under the Telecommunications Act Of 1996.

The issue of establishing Eligible Telecommunications Carrier status, *i.e.*, how the TRA will certify carriers as eligible to receive federal universal service support, is included in the Universal Service Generic Contested Case, Docket Number 97-00888. However, applicable Federal Communications Commission rules require carriers to have the necessary state certifications by January 1, 1998. Accordingly, the Citizens LECs are filing their Joint Petition at this time.

We have also enclosed a filing fee check in the amount of \$25.00.

An extra copy of this filing is included for date stamping and return in the enclosed, self-addressed and postage prepaid envelope.

Yours very truly,

A handwritten signature in black ink, appearing to be "RM Tettelbaum", written over a horizontal line.

Richard M. Tettelbaum

cc (w/encl.):
Robert Caprye
J. Michael Swatts

¹ See Section 214(e) of the Act and Section 54.207 of the FCC’s Rules, which state that the “service area” of an incumbent LEC that qualifies as a “rural telephone company” under Section 3(47) of the Act is synonymous with its FCC-designated “study area.” Both Citizens LECs are “rural telephone companies” under one or more of the Section 3(47) alternative qualification criteria.

for federal high cost and other funding in their provision of high quality telephone services in the rural communities they serve. In support of their Joint Petition, the Citizens LECs respectfully show as follows:

I. Introduction

The Citizens LECs and their predecessors in interest have long provided ubiquitous residential and business basic exchange and other telecommunications services in their respective Tennessee service areas. Each has functioned as the “carrier of last resort” in the areas they serve, holding out and providing service to all needing it, pursuant to terms and conditions, including pricing, regulated by the TRA. It is beyond argument the Citizens LECs are the historic providers of universal service in the communities that they are privileged to serve.

Under newly enacted Section 214(e) of the Act and related FCC regulations, the ability of the Citizens LECs to receive federal funding for their continued provision of critical portions of the Act’s Section 254 universal service program is predicated upon TRA designation as ETCs. As shown herein, the Citizens LECs meet all qualification criteria for Section 214(e) eligibility designation.

II. The Citizens LECs Meet the Statutory Eligibility Criteria

A. Section 214(e)(1)

Section 214(e)(1) requires that,

A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with Section 254 and shall, throughout the service area for which the designation is received--

(A) offer the services that are supported by Federal universal service support mechanisms under Section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's

services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefor using media of general distribution.

1. The Citizens LECs Provide the Requisite Supported Services Throughout Their Service Areas, Primarily Using Their Own Facilities

The FCC, in Section 54.101(a)(1) of its Rules, has delineated the “services that are supported by universal service support mechanisms under Section 554(c).” Those services are:

- (1) Voice grade access to the public switched network;
- (2) Local usage, i.e., a prescribed amount of minutes of use of exchange service, provided free of charge to end users;
- (3) Dual tone multi-frequency signaling or its functional equivalent;
- (4) Single-party service or its functional equivalent;
- (5) Access to emergency services, including access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;
- (6) Access to operator services;
- (7) Access to interexchange service;
- (8) Access to directory assistance; and
- (9) Toll limitation for qualifying low-income consumers.

Subject to two provisos, the Citizens LECs provide all of the foregoing universal services. The first proviso pertains to access to emergency services. The Citizens LECs provide such access to the full extent of local government implementation of emergency services in the territories included within those LECs’ service areas. To the extent that local governments in

territories within the Citizens LEC service areas are still implementing or have yet to implement emergency services, the Citizens LECs will take all steps necessary to ensure access to such services as and when they become operational.

Insofar as toll limitation to qualifying low-income customers is concerned, the Citizens LECs can and will provide toll blocking services. However, neither the Citizens LECs nor any other local exchange carrier that they are aware of is currently capable of providing “toll control” service. Further, there is no industry understanding of when, if ever, the necessary technology will be available to implement this service. For this reason, the FCC requirement for toll control is the subject of multiple petitions for reconsideration. Exceptional circumstances exist, for a grant of additional time, pursuant to Section 54.101(c), for implementation of the “toll control” service requirement.² The public interest in the maintenance and extension of universal service would be thwarted by requiring the currently impossible -- toll control -- as a condition precedent to ETC certification.

² Section 54.101(c), entitled “Additional time to complete network upgrades,” states that

A state commission may grant the petition of a telecommunications carrier that is otherwise eligible to receive universal service support under §54.201 requesting additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation. If such petition is granted, the otherwise eligible telecommunications carrier will be permitted to receive universal service support for the duration of the period designated by the state commission. State commissions should grant such a request only upon a finding that exceptional circumstances prevent an otherwise eligible telecommunications carrier from providing single-party service, access to enhanced 911 service, or toll limitation. The period should extend only as long as the relevant state commission finds that exceptional circumstances exist and should not extend beyond the time that the state commission deems necessary for that eligible telecommunications carrier to complete network upgrades. An otherwise eligible telecommunications carrier that is incapable of offering one or more of these three specific universal services must demonstrate to the state commission that exceptional circumstances exist with respect to each service for which the carrier desires a grant of additional time to complete network upgrades.

All of the foregoing supported services, with the exception of toll control, are and will continue to be available throughout the service areas of both Citizens LECs. Further, all of the foregoing services, except for operator and directory assistance services, are provided through the use of physical facilities owned by the Citizens LECs. In the case of operator and directory assistance services, the Citizens LECs resell the services of other entities. However, the physical access, i.e., transport facilities used in such operations are provided on the Citizens LECs infrastructure.

2. Compliance With Section 214(e)(1)(B) of the Act

The Citizens LECs' provision of supported services is known throughout the territories they serve. Further, the Citizens LECs' tariffs are available for public inspection and customer contact representatives are available, both in person and via toll-free telephone numbers, to provide service and rate information. Further, the Citizens LECs will comply with advertising requirements as and when promulgated by the TRA.

III. The Public Interest Requires a Grant of ETC Status to the Citizens LECs

It is both axiomatic and a matter of law that the provision of universal service is a public good. Certification of carrier eligibility to receive support necessary to the provision of universal service is required under Section 214(e) of the Act, and the FCC has promulgated regulations for the implementation of Section 214(e). The Citizens LECs fully qualify under the applicable statutory and regulatory standards for certification as ETCs in their respective

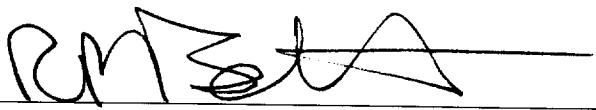
service/study areas in Tennessee. Accordingly, the public interest dictates that this Joint Petition be granted .

Respectfully submitted,

CITIZENS TELECOMMUNICATIONS
COMPANY OF TENNESSEE L.L.C.

and

CITIZENS TELECOMMUNICATIONS
COMPANY OF THE VOLUNTEER STATE
L.L.C.

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